

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	
NORTH MERCER WATER DISTRICT)	CASE NO. 94-310

O R D E R

On August 18, 1994, North Mercer Water District ("North Mercer") filed an application to adjust its rates pursuant to the purchased water adjustment procedure, KRS 278:015 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. North Mercer purchases water from one supplier, the City of Harrodsburg Water Department ("Harrodsburg").

2. Effective July 1, 1994, Harrodsburg increased its rates for wholesale water from \$1.11 per 1,000 gallons to \$1.154 per 1,000 gallons.

3. North Mercer proposes to increase the rates to its customers effective September 20, 1994.

4. During the 12 months ending July 31, 1994, North Mercer purchased 179,988,512 gallons of water and sold 141,375,780 gallons.

5. North Mercer's calculations are correct and show an increase in purchased water cost of \$7,920, but due to an incorrect rounding procedure, the factor is 6 cents, not 5 cents per 1,000 gallons as stated in the application. Based on an average monthly usage of 5,000 gallons, monthly bills to North Mercer's customers

will increase 30 cents, from \$23.90 to \$24.20, an increase of 1 percent.

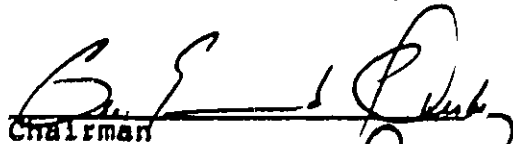
6. The purchased water adjustment of 6 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

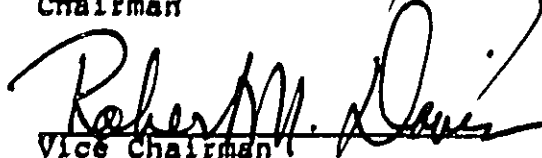
IT IS THEREFORE ORDERED that:

1. The rates proposed by North Mercer are hereby denied.
2. The purchased water adjustment of 6 cents per 1,000 gallons and the rates in Appendix A are hereby approved for services rendered on and after September 20, 1994.
3. Within 30 days of the date of this Order, North Mercer shall file revised tariff sheets setting out the rates approved herein.
4. Within 20 days of the date of this Order, North Mercer shall file verification that the notice to its customers has been given.

Done at Frankfort, Kentucky, this 14th day of September, 1994.


PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 94-310 DATED SEPTEMBER 14, 1994.

The following rates and charges are prescribed for the customers in the area served by North Mercer Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

MONTHLY RATES

<u>Gallon Increment</u>	<u>Rates</u>
First 1,000 Gallons	\$ 9.06 (Minimum Bill)
Next 2,000 Gallons	3.91 Per 1,000 Gallons
Next 2,000 Gallons	3.66 Per 1,000 Gallons
Next 5,000 Gallons	3.46 Per 1,000 Gallons
All Over 10,000 Gallons	3.31 Per 1,000 Gallons